

BOSTON, MASS.

GLOBE

OCT 1 1 1970

M - 237,967

S - 566,377

CIA denies war veteran's drug claims

In a rare statement issued in Washington, a Central Intelligence Agency spokesman yesterday labeled as "errant nonsense" a statement by an Indochina war veteran that he had purchased large quantities of opium in Laos using CIA funds.

Former Green Beret Sgt. Paul Wilhers, 24, of Cambridge had told an antiwar veterans' panel Saturday that one of his "main functions" while serving in Laos in 1966 was "to buy opium from Meo tribesmen, using CIA funds."

M - 846,132
S - 1,407,549

JUL 10 1971

\$1.7-Billion of War Funds Unaccounted For in Audit

Congressional Agency Unable to Learn How Most of \$2.1-Billion Authorized for Pacification in 1970 Was Used

By TAD SZULC
Special to The New York Times

WASHINGTON, July 9—The General Accounting Office, the Congressional watchdog agency, has reported that it is unable to determine how \$1.7-billion of \$2.1-billion authorized for the pacification program in South Vietnam was spent or committed during the three-year period ended July 30, 1970.

The office made its report in a 160-page survey entitled "Background Information on United States Participation in Pacification and Development Programs in Vietnam," sent to Secretary of Defense Melvin R. Laird and several Congressional committees on July 1.

The General Accounting Office auditors, who made their survey in Vietnam, said that the specific obligations of the pacification program that they were able to find accounted for only \$339.2-million of the total of \$2.1-billion authorized for the fiscal years 1968, 1969 and 1970.

And, they said, \$65.5-million of the \$339.2-million had been spent for purposes that they had not been able to determine, which was taken to mean that the money was spent for projects other than those for which it had originally been designated.

The United States agency responsible for the over-all pacification in Vietnam is called Civil Operations and Revolutionary Development Support, or CORDS. Its responsibilities include the care of refugees and other war victims. Operation Phoenix, which is designed to eliminate the Vietcong sub-

versive apparatus, also comes under the agency.

The funds for CORDS come principally from the Defense Department although the Central Intelligence Agency and the Agency for International Development contribute to them.

The accounting office survey said that the \$65.5-million of the \$339.2-million of the obligated money "was not used in CORDS and was subsequently used by the contributing agencies for other purposes."

It said it could "not determine" what these purposes were.

In fiscal language, obligations are the commitment or actual expenditure of authorized funds.

The survey has offered no conclusions as to the discrepancy between the funds authorized for CORDS and those actually obligated.

But in the section on "village self-help" programs, one of the CORDS operations, the document listed "misappropriation of funds" among the problems facing the agency. The report said, however, that from a political viewpoint the village program "has experienced a degree of success."

The survey said that "we have learned that internal audits and inspection had generally not been conducted" by CORDS.

It noted that while there are 12 "auditing groups within the executive branch for CORDS review," only two of them "had performed reviews" since the formation of CORDS in 1968.

"We also found that many of the responsible officials in the directorates were unaware of amounts obligated under their programs and in some instances did not know the amounts in their budgets," the survey said of the Saigon agency.

The survey added that "in the three fiscal years ending on June 30, 1970, CORDS received about \$339.2-million," it reported.

"We obtained obligations about \$339.2-million," it reported.

But the accounting office said that "we were unable to obtain obligations for \$1.7-billion of the \$2.1-billion."

It reported that the Defense Department had contributed 86 per cent of this total. The Central Intelligence Agency provided 5 per cent and the Agency for International Development 9 per cent. The C. I. A., however, has refunded some of the

money spent by A. I. D. on its behalf on unspecified covert projects.

The accounting office said that the bulk of the CORDS authorization was budgeted for "hardware" and military and auxiliary equipment for South Vietnamese military organizations.

Under Operation Phoenix, CORDS is increasing the South Vietnamese national police from 100,000 to 120,000 men this year.

STATINTL

24 JAN 1971

Case Bill Strips Secrecy From Radio Free Europe

STATINTL

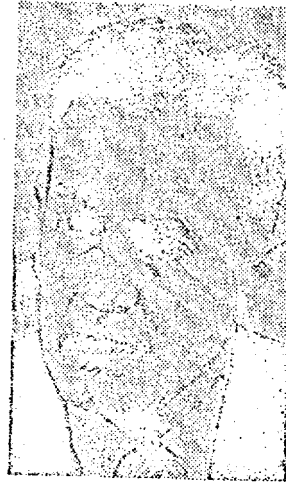
Sen. Clifford P. Case (R-N.J.) announced yesterday that he will introduce legislation Monday to bring Radio Free Europe and Radio Liberty under congressional scrutiny by substituting direct appropriations for secret funding of the two organizations.

The bill would provide an initial \$30 million grant to the two stations, nominally run by private groups but widely known to be principally bankrolled by the Central Intelligence Agency. Case said his bill, which would amend the U.S. Information and Educational Exchange Act of 1948, would prohibit the use of any other government funds for the two stations.

"During the last 20 years," Case said, "several hundred million dollars in U.S. government funds have been expended from secret CIA budgets to pay almost totally for the costs of these two radio stations broadcasting to Eastern Europe." He added:

"In the last fiscal year alone, over \$30,000,000 was provided by CIA as a direct government subsidy; yet at no time was Congress asked or permitted to carry out its traditional constitutional role of approving the expenditure."

Both Radio Free Europe and



CLIFFORD CASE

... sponsors RFE reform

Radio Liberty attempt to raise funds from corporations and foundations, Case said, but the bulk of their operating budgets come from direct CIA subsidies although the "justification for covert funding has lessened over the years."